

SENATE BILL No. 480

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7-32.

Synopsis: Consolidated service districts. Allows two or more political subdivisions to create a consolidated service district to provide certain consolidated services for the area within the district. Allows the district to impose a uniform tax rate levy on all property within the district. Provides that in the first year the district is created, the political subdivision retains 20% of the property taxes that would have been used for the service. Reduces the service district's tax levy to 80% of the amount collected in the political subdivision.

Effective: July 1, 2002.

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January 14, 2002, read first time and referred to Committee on Rules and Legislative Procedure.

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Introduced

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 480

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-7-32 IS ADDED TO THE INDIANA CODE AS
- 2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2002]:
- 4 **Chapter 32. Consolidated Service District**
- 5 **Sec. 1. This chapter applies to a geographic area that is**
- 6 **established as a consolidated service district.**
- 7 **Sec. 2. As used in this chapter, "authorizing instrument" means:**
- 8 **(1) an ordinance for a county, city, or town; and**
- 9 **(2) a resolution for all other political subdivisions.**
- 10 **Sec. 3. As used in this chapter, "district" refers to a consolidated**
- 11 **service district established under this chapter.**
- 12 **Sec. 4. As used in this chapter, "participating unit" refers to a**
- 13 **political subdivision that adopts an authorizing instrument under**
- 14 **section 7 of this chapter.**
- 15 **Sec. 5. As used in this chapter, "service" means any municipal**
- 16 **service that a political subdivision is authorized to provide.**
- 17 **Sec. 6. The fiscal bodies of at least two (2) political subdivisions**

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may establish a district to provide any service provided through at least one (1) of the political subdivisions.

Sec. 7. (a) To establish a district, the fiscal bodies of each political subdivision desiring to become a part of the proposed district must adopt identical authorizing instruments after January 1 but before April 1 to become a party to an agreement for the establishment of a district. The authorizing instrument must include at least the following:

- (1) The boundaries of the proposed district.
- (2) The identity of all participating units desiring to be included within the territory.
- (3) An agreement to impose a uniform tax rate upon all the taxable property within the district.
- (4) The contents of the agreement to establish the district.
- (5) A procedure for the dissolution of the district.
- (6) A procedure to transfer to the district any political subdivision property that is used in providing the service.

(b) An authorizing instrument adopted under this section takes effect July 1 of the year the authorizing instrument is adopted.

Sec. 8. (a) A consolidated service district board is established in each district established under this chapter.

(b) The members of the district board consist of:

- (1) two (2) residents from each participating political subdivision, appointed by the fiscal body; and
- (2) one (1) member of the fiscal body from each participating political subdivision, serving as an ex officio member.

(c) Members of the board serve a term of four (4) years.

(d) If a vacancy occurs on the board, the appointing authority shall appoint a replacement member to serve the remainder of the unexpired term.

Sec. 9. (a) The board shall fix the time for holding regular meetings.

(b) Special meetings of the board may be called by the chairperson or by at least two (2) members upon written request to the secretary. At least three (3) days before a special meeting, the secretary shall send to all members a written notice fixing the date, time, and place of the meeting. However, written notice of a special meeting is not required if:

- (1) the date and time of the special meeting has been fixed in a regular meeting; or
- (2) all members were present at a meeting at which a special meeting was called.

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1 **Sec. 10. (a)** At the first regular meeting each year, the board
 2 shall elect a chairperson, a vice chairperson, and a secretary from
 3 its members. The vice chairperson shall act as chairperson during
 4 the absence or disability of the chairperson.

5 **(b)** A majority of the members appointed to the board
 6 constitutes a quorum. An action of the board is official only if it is
 7 authorized by a majority of the members appointed to the board
 8 at a regular or properly called special meeting.

9 **(c)** Each board member may be reimbursed for actual expenses,
 10 including traveling expense at a rate equivalent to that provided by
 11 statute for state employees. Claims for expense reimbursement
 12 must be accompanied by an itemized written statement and
 13 approved by a recorded motion of the board.

14 **(d)** The board shall maintain offices within the district. The
 15 board shall keep a record of all transactions and minutes of all
 16 meetings in the office. All records and minutes shall be kept
 17 available for public inspection.

18 **Sec. 11. (a)** The board has the following powers and duties:

19 **(1)** The board shall appoint, fix the compensation of, and
 20 prescribe the duties of a fiscal officer, secretarial staff,
 21 persons performing special and temporary services or
 22 providing legal counsel, and other personnel considered
 23 necessary for the proper functioning of the district. However,
 24 a person appointed as fiscal officer must be bonded by good
 25 and sufficient sureties in an amount ordered by the fiscal body
 26 of the political subdivision in which the board maintains its
 27 office to protect the district from financial loss.

28 **(2)** The board shall exercise general supervision of and make
 29 regulations for the administration of the district's affairs.

30 **(3)** The board shall prescribe uniform rules pertaining to
 31 investigations and hearings.

32 **(4)** The board shall supervise the fiscal affairs and
 33 responsibilities of the district.

34 **(5)** The board may delegate to employees of the district the
 35 authority to perform ministerial acts, except in cases in which
 36 final action of the board is necessary.

37 **(6)** The board shall keep accurate and complete records of all
 38 departmental proceedings, record and file all bonds and
 39 contracts, and assume responsibility for the custody and
 40 preservation of all papers and documents of the district.

41 **(7)** The board shall make an annual report to the executive
 42 and the fiscal body of each participating unit that at least lists

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1 the financial transactions of the district and a statement of the
2 progress in accomplishing the purposes for which the district
3 has been established.

4 (8) The board shall adopt a seal and certify all official acts.

5 (9) The board may sue and be sued collectively by its legal
6 name ("Consolidated Service District Board, _____
7 Consolidated Service District"), with service of process made
8 on the chairperson of the board. However, costs may not be
9 taxed against the members individually in an action.

10 (10) The board may invoke any legal, equitable, or special
11 remedy for the enforcement of this chapter or of proper
12 action of the board taken in a court.

13 (11) The board shall prepare and submit to the fiscal body of
14 each participating unit an annual budget for operation and
15 maintenance expenses and for the retirement of obligations of
16 the district.

17 (12) The board may enter into agreements with and accept
18 money from a federal or state agency and enter into
19 agreements with a municipality located inside or outside the
20 district, whether or not the municipality is a part of the
21 district, for a purpose compatible with the purposes for which
22 the district exists and with the interests of the municipality.

23 (13) The board may accept gifts of money or other property
24 to be used for the purposes for which the district is
25 established.

26 (14) The board may levy taxes at a uniform rate on the real
27 and personal property within the district.

28 (15) The board may issue bonds and tax anticipation
29 warrants.

30 (16) The board may incur other debts and liabilities.

31 (17) The board may purchase or rent property.

32 (18) The board may sell property or provide services for
33 compensation if the property is produced or the services are
34 provided incident to the operations of the district, making a
35 fair and reasonable charge for the property or services.

36 (19) The board may make contracts or otherwise enter into
37 agreements with public or private persons and federal or state
38 agencies for construction, maintenance, or operations of or in
39 part of the district.

40 (20) The board may receive and disburse money.

41 (21) The board may engage in any other activity, purpose, or
42 function related to the provision of correctional services for

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the district.

(b) Powers granted by this chapter may be used only to accomplish the purpose or purposes as stated in the authorizing instrument establishing the district. However, an act of the board necessary and proper to accomplish the purposes for which the district is established is not invalid because it incidentally accomplishes a purpose other than a purpose for which the district is established.

(c) If the amount levied in a particular year exceeds the amount necessary to cover the costs incurred in providing services within the district, the levy in the following year shall be reduced by the amount of surplus money.

Sec. 12. (a) Except as provided in subsection (b), the department of local government finance, when approving a rate and levy fixed by each participating unit, shall verify that a duplication of tax levies does not exist within participating units so that taxpayers do not bear two (2) levies for the same service.

(b) A unit that incurred indebtedness for services before becoming a participating unit under this chapter shall continue to repay that indebtedness by levies within the boundaries of the unit until the indebtedness is paid in full.

Sec. 13. (a) In the year that a tax levy is imposed under section 11(a)(14) of this chapter, each respective participating unit's tax levies attributable to providing the services within the unit that will be provided by the district shall be reduced by an amount equal to eighty percent (80%) of the amount levied for services in the year immediately preceding the year in which each respective unit became a participating unit. In the year that a tax levy is imposed under section 11(a)(14) of this chapter, twenty percent (20%) of each respective participating unit's tax levies attributable to providing the services within the unit that will be provided by the district shall be distributed to the participating unit's general fund.

(b) In the second year that a tax levy is imposed under section 11(a)(14) of this chapter, each respective participating unit's tax levies attributable to providing the services within the unit that will be provided by the district shall be reduced by an amount equal to the amount levied in the immediately preceding year.

(c) The initial tax levy imposed under section 11(a)(14) of this section may not exceed the amount in STEP THREE of the following formula:

STEP ONE. Determine each political subdivision's tax levy for the services that will be performed by the district that

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1 were performed by the political subdivision in the year before
 2 the tax levy is imposed under section 11(a)(14) of this chapter.
 3 STEP TWO. Add the amount determined for each political
 4 subdivision under STEP ONE.
 5 STEP THREE. Multiply the result of STEP TWO by eighty
 6 percent (80%).

7 Sec. 14. (a) If a participating unit elects to withdraw from a
 8 district established under this chapter, the participating unit must,
 9 after January 1 but before April 1, adopt an authorizing
 10 instrument providing for the withdrawal. If not provided otherwise
 11 in the procedure for dissolution, an authorizing instrument
 12 adopted under this section takes effect January 1 of the second
 13 year after the authorizing instrument is adopted.

14 (b) If an authorizing instrument is adopted under subsection (a):
 15 (1) the unit's maximum permissible ad valorem property tax
 16 levy with respect to services formerly provided by the district
 17 shall be initially increased by the amount of the particular
 18 unit's previous year levy under this chapter; and
 19 (2) additional increases with respect to services levy amounts
 20 are subject to the tax levy limitations under IC 6-1.1-18.5,
 21 except for the part of the unit's levy that is necessary to retire
 22 the unit's share of any debt incurred while the unit was a
 23 participating unit.

24 Sec. 15. Participating unit property that is used to provide a
 25 service that will be performed by the district must be transferred
 26 to the district under the procedure established in the authorizing
 27 instrument.

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